

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Waverly Post Office
Waverly, Washington 99039

Docket No. A2012-49

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(December 28, 2011)

On November 3, 2011 and November 11, 2011 the Postal Regulatory Commission (Commission) docketed a petition for review of the Postal Service's determination to close the Waverly, Washington Post Office in Waverly, WA.¹ The first petition was filed by Evelyn Heinevetter and the second by Kim Billington of the Town Council (Petitioners). On November 15, the Commission issued a Notice of Filing under 39 U.S.C. § 404(d). On November 17, 2011, the Commission issued Order No. 978, its Notice and Order Accepting Appeal and Establishing Procedural Schedule, pursuant to 39 U.S.C. § 404(d). The revised administrative record was filed with the Commission on November 29, 2011. On December 5, 2011, the Public Representative filed reply comments. The Public Representative found that the Postal Service adequately considered all requirements and recommended affirmation of the Final Determination. Petitioners filed Participants Statements in this docket on December 6 and 8, 2011.

The correspondence received by the Commission raises four main issues: (1)

¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

the effect on postal services, (2) the impact upon the Waverly community, (3) economic savings, and (4) the impact on employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Accordingly, the determination to discontinue the Waverly Post Office should be affirmed.

Background

The Final Determination To Close the Waverly, WA Post Office and Establish Service by rural route service under the administrative responsibility of the Fairfield Post Office, as well as the administrative record, indicate that the Waverly Post Office provides EAS-11 level service from 7:30 A.M. to 11:30 A.M. and 12 P.M. to 4 P.M. Monday - Friday, from 7:30 A.M. to 9:30 A.M. on Saturday with lobby hours of 24 hours Monday through Saturday to 87 post office box customers or general delivery customers and no delivery customers. Item 15, Post Office Survey Sheet 1²; Item 47, Final Determination (FD) at 2. The postmaster will be reassigned on April 1, 2012 thereby creating an upcoming vacancy in the office. Item 47, FD at 2.

The retail window averaged 10 transactions accounting for 10 minutes of retail workload per day. Item 47, FD at 2. Revenue was \$17,251 in FY 2008 (45 revenue units); \$13,383 in FY 2009 (35 revenue units); and \$16,057 in FY 2010 (42 revenue units). Item 47, FD at 2. There are no meter or permit customers. Item 47, FD at 2; Item 41, Revised Proposal at 2. Upon implementation of the final determination,

² In these comments, specific items in the administrative record are referred to as "Item ____."

delivery and retail services will be provided by the Fairfield Post Office³, an EAS-13 level office, which has 222 available Post Office Boxes. ⁴ Item 41, Proposal-Revised at 2; Item 4, FD at 2; Item 18, PS Form 4920 Fact Sheet at 1. Delivery will be to roadside mailboxes and to cluster box units (CBUs) which are free standing, individually locked mail compartments units that will be installed and maintained at no cost to postal customers. Item 47, FD at 2 and 3; Item 41, Proposal-Revised at 2 and 3.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Waverly Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements.⁵ In addition to the posting of the Proposal and Final Determination, customers received notice through other means. A letter was sent out on May 2, 2011 seeking opinions on a change to rural service from the Fairfield Post Office. Item 21, Letter to Customers at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item 22. In addition, representatives from the Postal Service were available at the Waverly Fire Department for a community meeting on May 18, 2011, to answer questions and provide information to customers.⁶ Item 47, FD at 2; Item 21, Letter at 1; Item 24,

³ The Fairfield Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1.

⁴ The FD mentions Saturday for the Fairfield Post Office but the Discontinuance Coordinator confirms it is not open on Saturdays. This is trivial and does not merit reissuance of the FD since the Petitioner knows this fact.

⁵ Petitioners fault the Postal Service for not having reached out directly to municipal authorities. However, there is no such requirement that the Postal Service do so, and in any event, customers served by the Waverly Post Office would have received the same notices and correspondence as other customers, to include municipal authorities served by the facility.

⁶ Petitioners state that the community meeting was held at an inconvenient time, from 4 to 6 p.m. in the evening. The Postal Service notes that its internal regulations give local discontinuance coordinators flexibility in determining meeting times that encourage customer participation. See Handbook PO-101 § 251. No single time is

Community Meeting Roster. Customers received formal notice of the Proposal and FD through postings at nearby facilities.

The Proposal was posted with an invitation for public comment at the Waverly Post Office lobby and Fairfield Post Office, from June 6, 2011 to August 7, 2011. Item 47, FD at 2; Item 31, Instructions to OIC/Postmaster to Post Proposal; Item 32, Invitation for Comments; Item 33, Date stamp Proposal. The Final Determination was posted starting on October 5, 2011 and is still posted. Item 48, Instructions on Posting; Item 49, Round date stamped FD.

The Petitioners claim that the Postal Service provided standard responses to community concerns. They further suggest that there was no independent inquiry made. However, the Administrative Record reflects that while some answers may be “standard” to the extent that these questions have been posed in other discontinuance dockets, the answers provided are responsive to the concerns raised. Moreover, the Postal Service notes that the record in this proceeding is very extensive with responses to the customer questionnaires and community meeting. Item 22, Questionnaire; Item 25, Community Meeting Analysis. The issues raised were addressed in the Proposal and the Final Determination. Item 41, Revised Proposal; Item 47, FD.

ever consistent with all customer preferences; hours within an office's normal hours of operation generally suit customers who routinely visit that office, while inconveniencing customers who only occasionally visit the office, thereby conflicting with their work hours in many cases. Evening hours may suit the occasional customers, while inconveniencing regular customers. That is one reason why a discontinuance study process affords customers multiple avenues for providing their input: questionnaires, community meeting, written correspondence at any time, and if those opportunities do not suffice, then formal comments on a proposal posted for 60 days provide another means for submission of customer input.

In light of the forthcoming postmaster vacancy due to reassignment, low revenue,⁷ the variety of delivery and retail options (including nearby retail service), minimal impact upon the community,⁸ the expected financial savings,⁹ and the minimal effect on the employees¹⁰ the Postal Service issued the Final Determination.¹¹ Regular and effective postal services will continue to be provided to the Waverly community in a cost-effective manner upon implementation of the Final Determination. Item 47, FD at Part VI.

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii), and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Waverly Post Office on postal services provided to Waverly customers. The closing is premised upon providing regular and effective postal services to Waverly customers.

The Petitioners, in their letters of appeal, raise the issue of the effect on postal services of the Waverly Post Office. They note the central location and express concern about traveling to other Post Offices. They also express concern for service provided to senior citizens. These concerns were considered by the Postal Service.

⁷ Item 47, FD at 2.

⁸ Item 47, FD, at Part II.

⁹ Item 47, FD, at Part IV.

¹⁰ Item 47, at Part III

¹¹ Item 47, FD.

The effect of closing the Waverly Post Office on the availability of postal services to the Waverly customers was considered extensively by the Postal Service. Item 47, FD at 2; Item 41, Proposal at 3. Upon the implementation of the Final Determination, services provided by the Waverly Post Office, such as the sale of stamps, envelopes, postal cards, and money orders, will be available at the Fairfield Post Office located 6 miles away as well as the rural carrier. Item 47, FD at 2; Item 41, Proposal at 2. Rural route service will be provided to cluster box units (CBU) for the P.O. Box holders. Item 47, FD at 2. In hardship cases, delivery can be made to the home of a customer. Item 47, FD Part I, Concern and Response 3.

The record explains that carrier service is beneficial to many senior citizens and to those who may face special challenges because they do not have to travel to the Post Office for service. Item 47, FD at Part I, Concern and Response 7, 8. Most transactions do not require meeting the carrier at the mailbox. Item 47, FD, Part VI. Customers may also purchase stamps by mail, arrange for package mailing with the carrier, and conduct postal money orders through transactions through the rural carrier. Item 47, FD Part I, Concern 9. Packages that fit will be delivered to the rural box, for those packages that do not fit, the carrier will travel up to one-half mile from the mailbox to deliver the packages to a convenient place (such as a porch or carport) that the customer designates. Item 47, FD, Part I, Concern 16.

Stamps by Mail and Money Order Application forms are also available for customer convenience, and stamps are also available at many stores and gas stations, or by calling 1-800-STAMP-24. Item 47, FD Concern 13; Item No. 25, Community

Meeting Analysis Concern 8. Customers can also request special services provided by the post office from the carrier. Item 47, FD Concern 13.

Thus, the Postal Service has considered impact of closing the Waverly Post Office upon the provision of postal services to the Waverly customers, and has properly concluded that the Waverly customers will continue to receive regular and effective service. Rural route service for P.O. Box customers that elect to receive delivery by rural carrier will benefit from the installation of CBUs. Item 47, FD at 2. The carrier will be able to provide retail services, including the sale of stamps that the customer can arrange by leaving money or a note in the mailbox. Packages will be delivered to mail receptacles, and those that are too large for the mailbox or CBU may be delivered to a convenient, customer-selected point up to one-half mile from the line of travel. Accordingly, the Postal Service has properly considered the impact of closing the Waverly Post Office, and has properly concluded that the Waverly customers will continue to receive regular and effective mail service.

Effect Upon the Waverly Community

The Postal Service is obligated to consider the effect of its decision to close the Waverly Post Office upon the Waverly community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office.

Waverly is an incorporated community located in Spokane County, Washington with a mayor and council. Item 47, FD at Part II. The Spokane County Sheriff's Department provides police protection, and the Waverly volunteer fire department provides fire protection. Item 47, FD at Part II. The community is mostly of retirees and commuters. Item 47, FD, Part II. Business and organizations include the Masonic Lodge. Item 47, FD, Part II. The questionnaires completed by the Waverly customers indicate that, in general, the Waverly residents may travel elsewhere for other supplies and services. Item 47, FD, Part II; Item 22, Customer Questionnaires.

The Petitioners raise the effect of the closing of the Waverly Post Office upon the Waverly community. This issue was considered by the Postal Service, as reflected in the administrative record. Item 47, FD, Part II Concern and Responses 1-3. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. Item 47, FD, Part II, Concern 3. The Petitioners raise the issue that tax revenues and voting rights will be affected by the discontinuance due to the loss of the ZIP Code. The Postal Service explained, however, that the community identity will be preserved by continuing the use of the ZIP Code and Post Office name in addresses and the ZIP Code directory. Item 22, Customer Questionnaires and Responses at 20; Item 47, FD, Part I, Concern 2. Nonpostal services will be available at the Fairfield Post Office. Item 47, FD, Part II. Communities generally require regular and effective postal services and these will continue to be provided to the Waverly community. Thus, the Postal Service has met its burden, as

set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Waverly Post Office on the Waverly community.

Economic Savings

The Postal Service also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The estimated annual savings associated with discontinuing the Waverly Post Office are \$38,412. Item 47, FD at Part IV.

The Petitioners question the economic savings of the proposed discontinuance and suggest alternative cost-cutting measures. The Postal Service has broad experience with evaluating the economics of post offices, but the focus of this administrative action concerns whether service can be provided effectively and efficiently to the Waverly community. Item 47, FD, Part I at Concern 21. However, the Postal Service is only responsible for formulating a specific proposal and evaluating it in the context of Title 39, U.S. Code, and applicable regulations. In this case, the Postal Service has determined that carrier service, coupled with service at the Fairfield Post Office, is a reasonable solution that will yield economic savings. In so doing, the Postal Service is not required to evaluate and reject alternative proposals. In this case, the Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

Petitioners question the savings estimate, on grounds that the Postmaster will be reassigned in the future. However, the economic savings calculation conducted as a

part of a discontinuance study is forward-looking. If the Waverly Office closes, one career slot will be eliminated. If the Post Office is not discontinued, the slot where the Waverly Postmaster is to be reassigned would have been filled with a career employee, and the salary and benefits to be paid would be as shown for a postmaster.

Petitioners also question the consideration of the impact on small rural communities. Petitioners presumably refer to the requirements of Title 39 that require a maximum degree of effective and regular service. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.” The Postal Service's view is that the “maximum degree” obligation in 39 U.S.C. § 101(b) must be read in the context of related statutory provisions. It is a directive to recognize that special consideration must be given to the greater likelihood of dependence on postal retail facilities for access to postal products and services in rural communities and small towns; however, this concern must be balanced with Congressional mandates that the Postal Service execute its mission efficiently and economically. See sections 101(a); 403(a), (b)(1) and (b)(3); 404(d)(2) and 3661(a). Here, the Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining

whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.” In this case, the Postal Service analyzed, among other factors, the Waverly Post Office’s workload and revenue. The consideration of an office’s workload and revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster position will become vacant when the postmaster is reassigned on April 1, 2012.¹² Item 47, FD Part III. Any non-career postmaster relief may be separated from the Postal Service. No other postal employee will be adversely affected.

Petitioners praise service provided by the Waverly Post Office postmaster. The Postal Service appreciates these observations, and is sympathetic to the Petitioners’ concern for the welfare of the employees, but is also charged with responsibility to promote efficiency of operations. Consequently, this concern does not outweigh the other considerations cited in support of the Final Determination.

¹² The FD states that an OIC has been assigned but the Discontinuance Coordinator confirms that the Postmaster is there until April 1, 2012 and then an OIC will be installed to operate the Post Office.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Waverly Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Waverly Post Office on the provision of postal services and on the Waverly community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Waverly customers. Item 47, FD. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A).

The Postal Service respectfully requests that the determination to close the Waverly Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business & Service
Development

Gary W. Bigelow
Attorney

4200 Wake Forest Rd.
Raleigh, NC 27668-9000
919-501-9439, Fax(9326)
gary.w.bigelow@usps.gov
December 28, 2011